A. JOHN DAVIS, III
FREDERICK M. MACDONALD
ROBERT S. THOMPSON, III
ANGELA L. FRANKLIN
WILLIAM E. WARD
SHAWN T. WELCH
RELMA M. MILLER
MATTHEW L. CROCKETT

## LAW OFFICES PRUITT GUSHEE

A PROFESSIONAL CORPORATION
Suite 1800 Beneficial Life Tower
Salt Lake City, Utah 84111-1495
(801) 531-8446
Telecopier (801) 531-8468
e-mail: mail@pruittgushee.com

SENIOR COUNSEL

ROBERT G. PRUITT, JR. OLIVER W. GUSHEE, JR.

OF COUNSEL

ROBERT G. PRUITT, III ROBERT H. LOVELL

Mease fill

TELECOPIER TRANSMITTAL COVER SHEET

TO: Paul Baker

COMPANY: DOGM

CITY/STATE:

FROM: Matt Cockett

DATE:

TELECOPIER NUMBER:

359-3940

PAGES (INCLUDING COVER SHEET): 14

CLIENT/MATTER NUMBER:

1807.02

MESSAGE:

Paul-I omitted the lengthy property descriptions from the Alameda warrant deed but can supply them if Need be. The motter" right is 49-370. The Special Service distrist has paramien to use violen RECEIVED 49-1545 al 49-1546.

Please call it you weed additional information. GAS & MINING

Malt

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MAY 1 0 1994

WATER RIGHTS SALT LAKE



DIVISION OF WATER RIGHTS VERNAL, UTAH

ASSIGNMENT OF WATER RIGHT

***	ATMINISTRACTIONS	• '
For valuable consideration, as assignor(s) hereby assign	GeakineTics	INC
as assignor(s) hereby assign( water rights avidenced thereb amounts:	by to the following assigna-	-370 (54858) and all a(s) for the following
New owner(s) Assigner(s) Name Address (Indicate if Joint Te	1.02 Million / Think a bit	Quantity of Flow and Uses Retained
5+H Ranches, 14	All	by Old Daner (17 any)
HER BOX 56A		Nent
Neels Was The	13	
Dated this 19 day of Nov	GMRGR 1092	
SEOKINGTICS   NC present owner) (assignor)	Gooking present of	ics /NC
STATE OF UTAH County of Salt LAKE	\$5,	wher (assignor)
The foregoing instrument was ac	Knowledged than 19	1/2.~
1993 by Michell A Leka (present owner(s) and	S PAGS INGUT GGO title or rupresentative car	KINETICS INC
(SEAL)	Karaleen	_
Commission Expires:	Notari	Commission Expires
3-16 , 19 74	Residing at:	March 18, 1994 KATHLEEN H. RICHINS 10315 South 1900 Earn
NOTE: If several parties are being that one person be appointed water right.	A LANGE AND HEAVIE	, it is suggested
right evidence by mus	ic or Change Application, do	cumentation for the

From this

TITLE ABSTRACT SHEET FOR WATER RIGHT NO. 49-370 (A-54859)

Total Amount in Right (Ac.-Ft., Uses, &/or CFS): 0, 0 3 3

NOTICE:

No agency of the State of Utah warrants or guarantees title to certain water rights. The State Engineer's Office serves only as an office of public record. The water right information provided here reflects that which has been filed with the State Engineer's Office by the public. If an opinion of title assurance is desired, an attorney or other qualified professional should be retained.

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Abstract

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WATER RIGHTS
SALT LAKE

S INITIALS

S ASSTRACT

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INDEX

PRUITT GUSHEE

## WHEN RECORDED, RETURN TO:

SNELL & WILMER
111 East Broadway, Suite 900
Salt Lake City, Utah 84111
Attention: Greg R. Nielsen

ENTRY 94005990

BOOK 581 PAGE 647-65/4166.00

27-SEP-94 04128

RECORDER, UINTAH COUNTY, UTAH
TOWN AND COUNTRY TITLE COMPANY
P 0 BOX 1530 VERNAL UT 84078

REC BY: PAT ABPLANALP, DEPU

ENTRY 94005990

BOOK 581 PAGE 64

## WARRANTY DEED UINTAH COUNTY LAND

S & H RANCHES, INC., a Utah corporation, ("Grantor"), of HC 66 Box 56A, Neola, Utah 84053, for the sum of Ten and No/100 Dollars (\$10.00), and other good and valuable consideration, hereby CONVEYS AND WARRANTS to CONVEYS AND WARRANTS to CONVEYS, a Texas corporation ("Alameda"), 500 North Water Street, Suite 501N, Corpus Christi, Texas 78471-0002, an undivided finterest in the real property in Uintah County, State of Utah which is described on Exhibit A to this Warranty Deed (the "Uintah County Land") and in the Appurtenant Rights and Privileges (as defined below), the Ranch and Range Improvements (as defined below), and the Water Rights (as defined below), as a tenant in common with Wyatt, and to O. S. WYATT, JR. ("Wyatt"), 9 Greenway Plaza, Suite 780, Houston, Texas 77046, an undivided 86.32596% interest in the Uintah County Land, the Appurtenant Rights and Privileges, Ranch and Range Improvements, and Water Rights, as a tenant in common with Alameda;

RESERVING, HOWEVER, to Grantor all oil, gas, and other minerals in the Ulntah County Land, to the extent owned by Grantor, SUBJECT TO THE LIMITATIONS ON USE OF MINERAL ESTATE set forth below in this Deed and EXCEPTING from the conveyances made by this Deed all other mineral rights previously reserved by predecessors in title.

THE CONVEYANCE MADE BY THIS DEED IS SUBJECT TO (1) any and all existing rights of oil and gas and mineral lessees under existing oil and gas and mineral leases and any and all existing rights of third parties under prior mineral grants and reservations ("collectively, the "Existing Mineral Rights"); and (2) all covenants, conditions, limitations, exceptions, reservations, easements, rights-of-way and other servitudes of record or that are apparent from a visual inspection of the Uintah County Land; BUT THE CONVEYANCE IS OTHERWISE FREE AND CLEAR of any and all liens or encumbrances of any nature or description whatsoever, other than the lien of current real property taxes and assessments not yet due and payable and any amounts due under the farmland assessment roll-back provisions of the Utah Farmland Assessment Act.

All Ranch and Range Improvements are conveyed on an as-is where-is basis.

As used in this Deed, the following terms are defined as follows:

Eutry 94005990 Book 581 PAG€ 648

- (2) "Ranch and Range Improvements" means and includes any and all ranch buildings, houses, barns, sheds, corrais, fences, holding pens, roadz and other rights-of-way, gates, watering troughs, ponds, reservoirs, water guzzlers, cisterns, water tanks, ditches, holding pens, and other ranch and range improvements located on or relating to the Uintah County Land and owned by Grantor; and
- (3) "Water Rights" means any and all of Grantor's interest in any and all certificated and uncertificated water rights and ditch rights, water rights applications, rights in wells, creeks, rivers, and springs, water stock, and any and all other water rights associated with or appurtenant to the Uintah County Land, including, without limitation, the water rights described on Exhibit B to this Warranty Deed.

With respect to water rights claimed by Grantor under applications for appropriation of water, this Warranty Deed constitutes an instrument in writing, as required by § 73-3-18, Utah Code Annotated, transferring such rights.

Limitations on Use of Mineral Estate. Grantor acknowledges and understands that the surface estate in the Uintah County Lands historically has been, and in the future is intended to be, used for ranching purposes. Alameda and Wyait (collectively, jointly and severally, "Grantee") understand and acknowledge the nature of Grantor's rights, and the rights of Grantor's agents, lessees, or assigns, to explore for, develop, and remove oil, gas, and other minerals which Grantor may own, together with the right of entry into and upon the Uintah County Land for the exploration, development, and removal of the same. Grantor agrees that Grantor's rights to occupy the surface estate in the lands in which it may own all or a portion of the mineral estate is limited to such occupation and use and the conduct of mineral exploration and extraction operations in a manner that is reasonable and practical under the circumstances with a view toward allowing the Grantee the greatest possible use of the surface estate consistent with such operations. In addition and without limiting the provisions of the preceding sentence, Grantor agrees that Grantor's rights to use and occupy the surface estate in the lands in which it may own all or a portion of the mineral estate for the conduct of mineral exploration and extraction operations (each and every such discreet operation being referred to as a "Mineral Operation") are subject to the following additional covenants and conditions, except to the extent modified by a surface use agreement entered into with respect to such Mineral Operations subsequent to the date of recording of this Dead:

- A. <u>Prior Notice</u>. Prior to commencing any Mineral Operation on any portion of the Uintah County Land, Grantor shall give Grantee at least 30 days prior written notice, setting forth in reasonable detail the nature and extent of the proposed Mineral Operation and the proposed use of the surface estate in connection with the Mineral Operation. In addition, Grantor shall give Grantee written notice upon the cessation or abandonment of any Mineral Operation on the Uintah County Land immediately upon such cessation or abandonment.
- B. Maintenance and Repair of Roads. In connection with a Mineral Operation, Grantor may use the existing private roads on the Uintah County Land and may improve such roads, at Grantor's expense, and, in connection with such use, will install and maintain such fences, gates, cattle guards and other livestock guards as Grantee may reasonably request. During all times when Grantor is conducting any Mineral Operation, Grantor will maintain all such private roads used in connection with such Mineral Operation in at least the same condition as at present and will leave such roads in at least their present condition upon termination of such

\* Form 96R

TITLE ABSTRACT SHEET FOR WATER RIGHT NO. 49 -370 A 54 8 59

Total Amount in Right (Ac.-Ft., Uses, &/or CFS):

NOTICE:

No agency of the State of Utah warrants or guarantees title to certain water rights. The State Engineer's Office serves on as an office of public record. The water right information provided here reflects that which has been filed with the State Engineer's Office by the public. If an opinion of title assurance is desired, an attorney or other qualified profession should be retained.

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Mineral Operation. Grantor may only construct new roads on the Uintah County Land at locations selected by Grantor and approved by Grantee, such approval not to be unreasonably withheld. All vegetation, rocks, and other material cut, uprooted or otherwise accumulated during construction and maintenance of roads and in connection with any other activities associated with such Mineral Operation shall be buried or otherwise disposed of in compliance with all applicable law.

- C. Damage to Ranch and Range Improvements or Crops: Payments to Grantee. To the extent that, in connection with any Mineral Operation, any Ranch and Ranch Improvements on the Uintah County Land or any similar ranch and range improvements on other fee or government lands used as part of the Bookcliff Ranch on the date of recordation of this Deed (the "Other Realty"), growing crops (including natural pasture lands and forage) on the on the Uintah County Land or the Other Realty, any other asset of Grantee or any other portion of the surface estate in the Uintah County Land is damaged, destroyed, or otherwise rendered unusable for its intended purpose, then within 30 days of such damage or destruction or such rendering unusable (weather permitting), Grantor shall either repair or replace such asset to at least its condition prior to commencement of Mineral Operation or Grantor shall pay Grantee for the reasonable fair market value of such asset damaged, destroyed or rendered unusable.
- Conduct of Mineral Operations. Each Mineral Operation and all activities required by this Deed to be undertaken by Grantor shall be undertaken and done in compliance with all applicable governmental laws, rules, and regulations, including, without limitation, all foderal, state or local laws, statutes, ordinances, and regulations pertaining to the environment or environmental conditions. In addition, each Mineral Operation will be conducted by Grantor in such a manner as to cause as little interference as possible with the farming, ranching and other activities conducted on the Uintah County Land and the Other Realty by Grantee. Grantor shall take all reasonable precautions to prevent sait water leaks, to prevent fires, to prevent the escape of Grantee's livestock, to prevent pollution of soil and fresh water sources and to control excessive soil erosion. In the event of pollution of fresh water sources on the Uintah County Land or the Other Realty caused by the Mineral Operations, Grantor agrees to immediately cease the operations that are the source of said pollution problem until the problem is resolved and to take all necessary steps to remediate the problem. All drilling fluids and mud used in drilling will be either removed from the Uintah County Land or may be disposed of on the Uintah County Land, with the prior written consent of Grantee, subject to and in accordance with all applicable governmental regulations.
- E. <u>Obligations on Constitution of Abandonment of Mineral Operations</u>. Upon the cessation or abandonment of a particular Mineral Operation on the Uintah County Land, Grantor shall:
  - (1) Remove from the Uintah County Land all materials used in the Mineral Operations and all improvements constructed by Grantor in connection with the Mineral Operations, unless, within 20 days of receipt by Grantoe of notice of cessation or abandonment of Mineral Operations, Grantee elects to have Grantor leave certain designated improvements (other than equipment and tank batteries) on the Uintah County Land, in which case such improvements shall not be removed but shall become the property of Grantee. If Grantor intends to abandon an oil or gas well, Grantor shall

WITNESS the hand of said Grantor as of the 21-day of september. 1994.

S & H RANCHES, INC., a Utah corporation

ATTEST:

S & H RANCHES, INC.,

a Utah corporation

Eileen Anderson, Secretary

Accepted and Agreed To:

ALAMEDA CORPORATION

T, Arnold, President

His Attorney-in-Fact

ENTRY 94005990 Book 581 PAGE 659

S&H RANC	HES		
Additional V	Vater	Right	<b>Filings</b>

	_	_		
File N	o. ADD. No.	Date	<u>c.f.s.</u>	Acres
<b>49-</b> 370	A54859 S&H Ranches Incor Underground Wa	porated	0.330	6 .
45-333	1. al1813 S&H Ranches Incor Green River		5.000	280.0
49-193	. A24628 S&H Ranches Incor Unnamed Spring		0.025	sw
49-195	A24745 S&H Ranches Incorp Unnamed Spring		0.020	sw
	A24746 S&H Ranches Incorp P R Spring		0.021	sw
	A5195 S&H Ranches Incorp Sweet Water Seep		0.0016	sw

SLC1 - PERSCHIN - 26842.1

notify Grantee of Grantor's intent to abandon, in which case Grantee may elect, within 20 days of receipt of such notice, to convert the well to a water well. If Grantee elects to convert the well to a water well, Grantor shall nevertheless properly abandon and plug the well for oil and gas purposes in accordance with applicable governmental laws, rules, and regulations and sound industry standards up to the bottom of the water aquifer, and Grantee shall be responsible for the remaining costs of conversion.

- (2) Remove all debris, level, compact and fill all pits, ruts, holes and depressions, backfilling all lands used for agricultural or livestock pasture purposes with natural top soil, including reseeding any grass lands with the seed choice designated by Grantco, and otherwise do all things necessary to restore the surface of the Uintah County Land to the original contours at the time of entry on the Uintah County Land for the Mineral Operations, including the natural drainage, to not less than the condition as when entry was made, natural wear and tear and damages by the elements excepted. All such restoration obligations shall be conducted in keeping with good soil and resource conservation and protection measures, including weed control.
- F. Costs. All Mineral Operations on the Uintah County Land and all activities required by this Deed to be undertaken by Grantor shall be undertaken and done by Grantor at Grantor's sole cost and expense. If Grantor fails to perform any obligation required under this Deed and such failure continues for 120 days following written notice from Grantee (unless such failure is due to adverse weather conditions, in which case the 120 day period will be deemed to have been extended by the period of such adverse weather conditions), then, in addition to whatever other remedies are available to Grantee at law or in equity, Grantee may, but is not obligated to, perform any such obligations and incur costs in connection therewith, and all costs so incurred shall immediately be repaid by Grantor to Grantee upon demand, together with interest on such costs from the date incurred until paid by Grantor at the rate of twelve percent (12%) per annum. Amounts payable to Grantor by Grantee pursuant to this Deed and not paid when due shall bear interest from the due date until paid by Grantor at the rate of twelve percent (12%) per annum.
- G. <u>Binding Effect</u>. The reservations, limitations, acknowledgements, covenants, and conditions set forth in this Deed shall survive recordation of this Deed, shall run with the land, and shall inure to the benefit of and be binding upon Grantor and Grantee and their heirs, personal representatives, administrators, successors, and assigns (including mineral lessees).
- H. <u>Existing Mineral Rights</u>. To the extent that holders of Existing Mineral Rights have preexisting rights that are inconsistent with the provisions and limitations of this Deed, such preexisting rights shall prevail; however, Grantor, to the extent Grantor has the discretionary right to do so, will not grant any further rights to the holders of Existing Mineral Rights or renew any existing rights that are not in compliance with the provisions and limitations of this Deed.

TATE OF UTAH )	
COUNTY OF Salt Lake)	26 day of Least 1994.
The foregoing instrument was acknown.	wledged before me this 26 day of Acros., 1994, H Ranches, Inc., a Utah corporation, on behalf of the
y Gary F. Sprouse, de Frontes	
orporation.	Dancy & Gerochon
a a	NOTARY PUBLIC
My Commission Expires:	Residing at the than
	Motory Public NANCY R. PERSCHON 111 East Broadway 9500 Set Late City, Usin 84:11 W Commission Expires
STATE OF UTAH )	State of Utah
COUNTY OF Salt-Lake	
	day of west 1994,
The foregoing instrument was acking the foregoing instrument was acking the foregon, the Secretary of S &	owledged before me this 26 day of
corporation.	
Colboratore	Dancy Resulos
My Commission Expires:	NOTARY PUBLICE
9-23-96	Residing at the little
9-25-70	Notary Put
STATE OF Utak ): 85.	MANOY R PEROCI- 111 East Broadway 15-11 11 East Broadway 15-11 11 Commission Espires 11 Commission Espires 11 Superior 23, 1963 11 Superior Utah
COUNTY OF ALLE	and the second second
	1994 . 2 a hay 30 weeking 0 at 1994
The foregoing instrument was ack	nowledged before me this 2 day of ment. 1994
by M.T. Arnold, the President of Alan	nowledged before the this corporation, on behalf of the
corporation.	$\alpha \sim \gamma$
torporation.	Lange Kiternian
My Commission Expires: 9-23-96	Residing at Staff
	Notary Public NANCY R. PERSCHC!: 111 East Broadersy #300 Sub Lake City, Usen 84111 W. Corambalon Expline

COUNTY OF Sulthale; ss.

The foregoing instrument was acknowledged before me this 26 day of day of by O. S. Wyatt, Jr., by Undley (1) . Stratus his attorney-in-fact.

My Commission Expires:

NOTARY PUBLIC
Residing at Sic Utal



EXHIBIT B

FRI, SEP 23, 1994, 9:17 AM

Entry 94005990 Book 581 Pag≈ 658

S & H RANCHES WRNUM ' APPL-CLAIM PRIORIT	Y_DATE	ENTRY 9400 Book 581
NAME Source-of-supply	CFS	IRR-ACRES-TOTAL
49 13 A32792 1961/03	/03	,
2 % H Kancuda Incorporated	0.100	
Underground Water Well 49 14 A32791 1961/03	/na	00 1.00
S & H Ranches Incorporated	, v3	
Underground Water Well		00.00
49 15 A33071 1961/05	/12	**
S & H Ranches Incorporated		
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Underground Water Wall	0.100	00 0.00
49 19 A3747b 3911/01/	/30	
S & H Ranches Incorporated		
Willow Creek 49 20 - A3747bl 1911/01	0.870	00 60.94
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49 35 A4808 1912/08/	/12	- L7.10
S & H Ranches Incorporated		
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S & H. Ranches Incorporated	<b>'31</b>	
Willow Creek		00 32.10
49 98 A6678 1927/05/	<sup>1</sup> 27	72.10
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Sweet Water Creek	0.8500	0 60.00
49 117 A8411 1930/04/	724	
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49 119 A8760 1921/03/	71)	0 39.10
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Willow Creek and Hill Cr	reek 1.0100	0 56.81
49 131 A9120 1922/08/	707	
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49 194 A24688 1953/03/	5prings	0 43.00
S & H Ranches Incorporated	••	
Sweet Water Creek	2.0000	0 14.31
49 208 A27345 1955/08/	19	
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